Empowering Communities to Progress. | UniCredit

Milan, 5 February 2024

UNICREDIT: 4Q23 AND FY23 GROUP RESULTS

Record 2023 results crowning three years of success and exceeding expectations

Group FY23 stated net profit of €9.5 billion, €8.6 billion net profit up over 50% versus prior year with a 16.6% RoTE or 20.5% RoTE on a CET1 of 13%, adjusted for excess capital

EPS and DPS increased by 74% to €4.71 and by 80% to €1.78 respectively

Commencing interim dividend and share buyback approach leading to total distribution of circa €10 billion[1] for 2024 calendar year and a dividend yield of circa 10%[2]

CET1r[3] of 15.89% up around 100 basis points despite distributing[4] 100% of FY23 net profit, reflecting strong capital efficiency, profitability and organic capital generation of €12 billion in 2023

Total revenue of €23.8 billion, underpinned by NII of €14.0 billion and resilient fees of €7.5 billion despite macro headwinds

Transformed and strong asset quality maintained with CoR of 12 basis points and with robust lines of defence to protect against risks

Operational excellence with cost reduction achieved year over year offsetting inflation and without constraining investments, 39.7% FY23 Cost-Income Ratio

Superior shareholder value creation with total distribution[4] of €8.6 billion for FY23, or 100% of net profit, and up by circa €3.35 billion versus prior year

FY24 net profit guidance of broadly in line with prior year and RoTE of circa 16.5% demonstrating our ability to defend profitability across the cycle

Introducing ordinary distribution policy from 2024 of at least 90% pay-out[5] of net profit

Strong progress on ESG ambitions during the year and with the focus on our values and culture garnering industry awards

On 4 February 2024, the Board of Directors of UniCredit S.p.A. ("UniCredit" or "the Group") approved the 4Q23 and FY23 Consolidated Results as of 31 December 2023.

Please refer to the General Notes and Main Definition sections at the back of this document for information regarding the financial metrics and defined terms mentioned in this press release.

[1] FY24 calendar distribution of €10 billion, of which circa €7.2 billion related to the residual FY23 distribution (i.e. not including the 1.4 billion of FY23 share buyback already executed during 2023 calendar year), and circa €3 billion FY24 interim distribution. Distribution subject to shareholder and supervisory approvals.

[2] Distribution and yield referring to 2024 calendar year view, i.e. including interim for FY24 distributions; yield calculated on market capitalisation as of 1 January 2024.

[3] 4Q23 and FY23 CET1r is net of the accrual for the total FY23 distribution following the new EBA Q&A 2023_6887, i.e. including also the share buy-back not authorized yet by shareholders and supervisor. For a coherent Y/Y and FY/FY comparison, the FY22 and 4Q22 CET1r reported hereafter is pro forma for all 2022 distributions, including the shares buy-back deducted from Own Funds in 1Q23.

[4] Distribution subject to shareholder and supervisory approvals.

[5] On net profit equal to stated net profit adjusted for the impacts from TLCF DTAs and potential one-offs related to strategic items.

This record-breaking year is clear evidence of a transformed UniCredit, well underway on the journey to building sustainable excellence evidenced by FY23 net profit at €8.6 billion and FY23 RoTE of 16.6%. In FY23, stated net profit reached a record €9.5 billion, €3.0 billion higher compared to FY22.

For the 12th consecutive quarter, the Group has shown the execution of the strategic plan and consistent growth across regions, balancing the three financial levers of net revenues, cost and capital and leveraging a unique pan European model resulting in a 4Q23 stated net profit of €2.8 billion, or net profit of €1.9 billion. These high returns were underpinned by €5.7 billion net revenues, composed of €3.6 billion of net interest income ("NII"), an increase of 5.7% year on year mainly due to higher rates and well managed deposit pass-through. Fees stood at €1.8 billion, down 0.6% year on year, largely driven by the impact of current account fee reductions in Italy and higher securitisation costs. Excluding these, fees were up 3.5% year on year affirming their resilience despite macroeconomic headwinds.

Loan loss provisions ("LLPs") stood at €300 million or cost of risk ("CoR") of 28 basis points in 4Q23. The soundness of the Group's asset quality is once more evidenced by a consistently low expected loss, low non-performing exposures ("NPEs") with high coverage, and the existing overlays of €1.8 billion on the performing portfolio.

In 4Q23 operational costs were €2.5 billion, up 6.9% quarter on quarter or 0.8% year on year, mainly driven by the salary drift linked to the new collective salary agreement in Italy and higher performance bonuses. For FY23 total costs were down by 1% versus prior year to €9.5 billion confirming the Group's ability to defend its cost discipline despite inflationary pressures while protecting revenue growth, also reflected in a cost-income ratio ("C/I") of 39.7%.

Further proactive actions taken in 2023 reinforce existing lines of defence and lay the foundations to propel future profitability, in the form of: FY23 integration costs of circa €1.1 billion that will enable the ongoing transformation of the organisation and targeting specific areas for cost reduction; broadly stable overlays on the performing portfolio at €1.8 billion protecting further the future Group's asset quality; and Risk weighted assets ("RWA") reductions of circa €24 billion versus FY22, through securitisation programs and better capital allocation at client level increasing the Group's capital efficiency.

The Group's best-in class capital position is reflected in a CET1 ratio[3] of 15.89%, an increase of 97[3] bps Y/Y from 14.91% CET1r pro forma in FY22[3], driven by the 389 basis points (or €12.0 billion) of capital generated organically. This significant increase already deducts the full proposed 2023 total distribution[4] of €8.6 billion, a €3.35 billion increase compared to the previous year.

The FY23 €8.6 billion shareholder distribution[4] is intended to be in the form of €5.6 billion in share buybacks and €3.0 billion in dividend, subject to supervisory and shareholder approvals. This implies a 100% total pay-out on the FY23 net profit. UniCredit has already commenced the execution of part of the FY23 distribution by frontloading a first share buyback tranche of €2.5 billion commenced in October 2023, of which €1.4 billion was completed at year end 2023.

The Group ordinary distribution policy from 2024 introduces a total distribution pay-out[5] of at least 90% of net profit. The dividend accrual will increase to 40% of net profit (from the 35% pay-out on FY23), with the residual pay-out[5] on net profit in the form of share buybacks. The final split between dividends and share buy-back will depend on market conditions, and it will be decided after 2024 results, together with the final decision on distributions.

The interim distribution approach, applicable to both interim dividend and interim share buyback, is assumed at circa 40% of the total full year distributions. The 2024 interim cash dividend is expected to be approved by the UniCredit Board of Directors on 23 October 2024.

The introduction of the interim dividend on FY24 earnings should allow for approximately €10 billion of calendar year distributions in 2024, of which circa €7.2 billion related to the residual FY23 distribution[4] (i.e. not including the 1.4 billion of FY23 share buyback already executed during 2023 calendar year), and circa €3 billion FY24 interim distribution.

Creating shareholder value remains a priority and this is demonstrated by the improvement of our profitability and upgraded metrics on a per-share basis also via share buybacks, generating in FY23 EPS[6] of €4.71, a threefold increase compared to the average 2017-2019, DPS of €1.78, a ninefold increase compared to the average 2017-2019, and TBVPS of €33.3, +46% versus the average 2017-2019.

2023 was a year characterized by significant progress on our ESG ambitions with net zero sector targets and ongoing support to clients in a just transition. UniCredit remains focused on strengthening its focus on social issues thereby helping communities to progress. This was demonstrated by €20.5 million in grants to support youth and education such as scholarships by the UniCredit Foundation. The Group remains committed to playing an important role in the social function that goes far beyond traditional banking activities.

UniCredit has been recognised by the Top Employers Institute as a Top Employer in Bulgaria, Germany, Italy and Serbia as well as by the Group's branch in Poland for 2024. Being certified as a Top Employer at a European level is evidence of an organisation's dedication to a better work environment, excellent HR policies, and people practices enabling talent retention and engagement. In recognition of the Group's financial success, the Bank has also been recognised by The Banker with the industry award of "Bank of the year", as well as "Bank of the Year in Western Europe", "Bank of the Year in Italy" and "Bank of the Year in Bulgaria". Our employees are a critical factor in the ongoing success of our strategy and these awards are resounding proof of our ongoing transformation.

The key recent events in 4Q23 and in January 2024 include:

- Launch of the first tranche of €2.5 billion of the FY23 share buyback programme; UniCredit purchased a total of 58.2 million shares or 4.5% share capital since the date of launch as of 30 January 2024;
- Successful issuance of €750 million Senior Preferred Green bond;
- Successful issuance of €1.0 billion Tier 2 callable bond;
- Upgrade of Moody's deposit outlook to stable, recognizing an improved Financial Profile;
- Cancellation of 72 million treasury shares on the 16 January 2024, equal to the sum of the remaining shares purchased in execution of the 2022 Buy-Back Program and not previously cancelled and the shares purchased in execution of the First Tranche of the 2023 Buy-Back Program up to the date of 29 December 2023.

[6] Net profit for FY22 and FY23 as defined in the main definition section of this document; underlying net profit for FY21; for comparison purposes the FY17-19 net profit is the simple average of net profit recast figures for Group excluding Turkey and Fineco.

Andrea Orcel, Chief Executive Officer of UniCredit S.p.A. said:

"For the full year UniCredit produced a record net profit of €8.6 billion, an increase of over 50% versus the prior year. 4Q23 was the twelfth consecutive quarter of quality profitable growth, indisputable proof of our unique and winning strategy. It illustrates what we can achieve when we put clients at the centre of what we do and focus on executing our industrial transformation, with all thirteen countries of our pan-European franchise contributing to our success. And while we have significantly exceeded our initial ambitions of UniCredit Unlocked our progress is far from over.

Net revenue growth, cost discipline while investing and despite inflation, and capital efficiency contributed to a RoTE of 16.6%, or 20.5% on a 13% CET1 ratio. Our higher CET1 ratio of 15.9%, resilient asset quality and strong lines of defence put us in an enviable position to continue managing successfully through an uncertain environment.

We intend to distribute a total of €8.6 billion to shareholders for 2023 or 100% of net profit, pending approvals, up €3.35 billion versus prior year while increasing our CET1 ratio around 100 bps to 15.9%. Since 2021, we will have returned this year €17.6 billion to our shareholders, underpinned by extremely strong organic capital generation and with sustainability of returns secured by our strategic momentum and significant excess capital.

We capped a year of progress towards our Group Net Zero targets with the recent announcement of our 2030 steel sector target. Across our sustainability agenda we are taking great strides and are making a significant, positive impact on our communities.

I am immensely proud of our employees for their commitment and enthusiasm. We have built a strong foundation and as we enter the next stage of UniCredit's growth I know that we will continue to evolve and deliver excellence to all our stakeholders."

Investor Relations:
e-mail: investorrelations@unicredit.eu

Media Relations:
e-mail: mediarelations@unicredit.eu

UNICREDIT 4Q23 AND FY23 GROUP RESULTS – MILAN, 5 February 2024 – 10.00 CET

ITALY: +39 02 802 09 11

UK: +44 1212 818004

USA: +1 718 7058796

THE **CONFERENCE CALL** WILL ALSO BE **AVAILABLE** VIA **LIVE AUDIO WEBCAST** AT

https://www.unicreditgroup.eu/en/investors/group-results.html, WHERE THE SLIDES WILL BE DOWNLOADABLE

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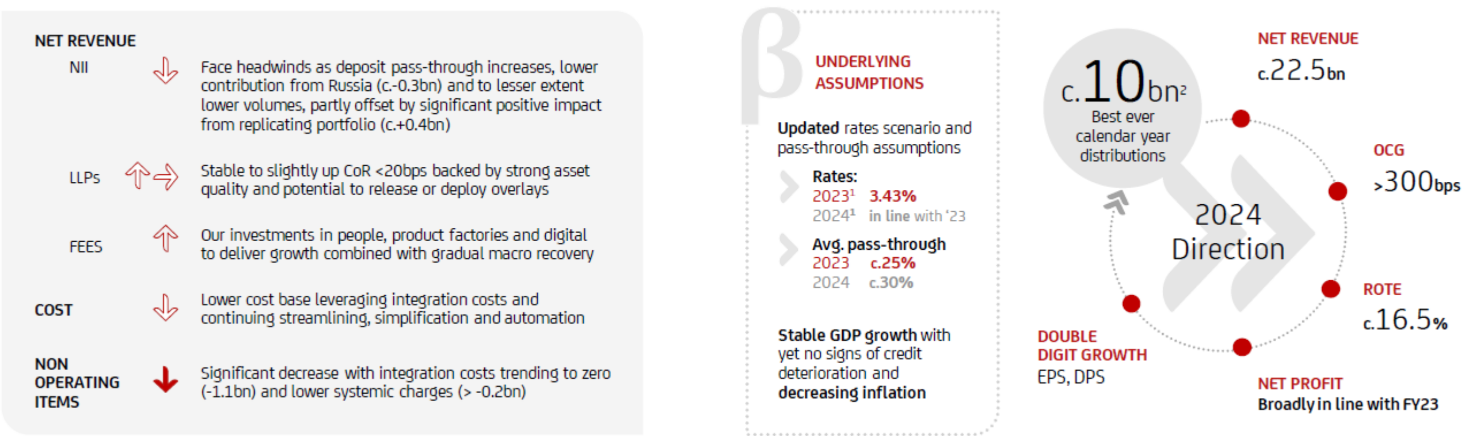
4Q23 KEY FIGURES

- **Total revenues:** €6.0 bn, up 0.2% Q/Q and up 4.6% Y/Y
- **Net revenues:** €5.7 bn, down 2.6% Q/Q and up 9.5% Y/Y
- **Net Interest Income (NII)**: €3.6 bn, up 0.3% Q/Q and up 5.7% Y/Y
- **Fees:** €1.8 bn, up 1.3% Q/Q and down 0.6% Y/Y[7]
- **Trading income**: €360 m, down 27.9% Q/Q and down 15.7% Y/Y
- **Operating costs:** €2.5 bn, up 6.9% Q/Q and up 0.8% Y/Y
- **Integration costs:** €788 m, up >100% Q/Q and up >100% Y/Y
- **Cost/Income ratio:** 41.6%, up 2.6 p.p. Q/Q and down 1.6 p.p. Y/Y
- **Stated net profit:** €2.8 bn, up 21.0% Q/Q and up 14.1% Y/Y
- **Net profit**: €1.9 bn, down 17.4% Q/Q and up 19.0% Y/Y
- **RoTE at 13% CET1 ratio:** 17.1%, down 6.3 p.p. Q/Q and up 3.0 p.p. Y/Y
- **EPS:** €1.11, down 14.2% Q/Q and up 35.6% Y/Y
- **CET1 ratio[3]:** 15.89%, down 1.3 p.p. Q/Q and up 1.0 p.p. Y/Y[3]
- **RWAs:** €284.5 bn, down 1.9% Q/Q and down 7.8% Y/Y
- **LLPs**: €300 m, up >100% Q/Q and down 43.2% Y/Y
- **Cost of Risk (CoR):** 28 bps, up 16 bps Q/Q and down 18 bps Y/Y
- **Average gross commercial performing loans:** €390.4 bn, down 2.1% Q/Q and down 5.2% Y/Y
- **Average commercial deposits:** €461.5 bn, down 0.3% Q/Q and down 5.3% Y/Y
- **Loan/Deposit ratio[8]:** 86.3%, down 2.4 p.p. Q/Q, and down 1.6 p.p. Y/Y
- **Gross NPEs:** €11.7 bn, down 2.4% Q/Q and down 6.8% Y/Y
- **Net NPEs:** €6.2 bn, down 0.7% Q/Q and down 5.0% Y/Y
- **NPE Coverage ratio:** 47.2%, down 0.9 p.p. Q/Q and down 1.0 p.p. Y/Y

GROUP KEY FINANCIAL 2024 GUIDANCE



1. Average 3M Euribor Rate. ECB Deposit Facility Rate "DFR" at 4% year end 2023, decreasing in 2024 (assumption).
2. o/w c.7.2bn FY23 (Total FY23 distributions less part of first tranche SBB executed within 2023 (1.4bn), c.3bn Interim FY24. Distribution subject to shareholder and supervisory approvals.

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[7] Fees net of the reduction of current account fees in Italy and securitisation costs up 2.0% Q/Q and 3.5% Y/Y.
[8] Net of Repos and Intercompany EOP.

UNICREDIT GROUP CONSOLIDATED RESULTS

(€ million)	FY22	FY23	vs FY22	4Q22	3Q23	4Q23	Q/Q	Y/Y
Total revenues	20,329	23,843	+17.3%	5,715	5,967	5,979	+0.2%	+4.6%
o/w Net interest	10,669	14,005	+31.3%	3,415	3,600	3,610	+0.3%	+5.7%
o/w Fees	7,625	7,463	-2.1%	1,803	1,769	1,793	+1.3%	-0.6%
o/w Trading	1,776	1,845	+3.8%	427	499	360	-27.9%	-15.7%
Operating costs	-9,547	-9,471	-0.8%	-2,470	-2,327	-2,489	+6.9%	+0.8%
Gross operating profit	10,782	14,372	+33.3%	3,246	3,640	3,490	-4.1%	+7.5%
Loan Loss Provisions	-1,894	-548	-71.0%	-528	-135	-300	n.m.	-43.2%
Net operating profit	8,888	13,823	+55.5%	2,717	3,505	3,190	-9.0%	+17.4%
Stated net profit/loss	6,458	9,507	+47.2%	2,464	2,322	2,810	+21.0%	+14.1%
Net profit	5,599	8,614	+53.8%	1,612	2,322	1,917	-17.4%	+19.0%
CET1 ratio	14.91%	15.89%	+1.0 p.p.	14.91%	17.19%	15.89%	-1.3 p.p.	+1.0 p.p.
RoTE	10.7%	16.6%	+5.8 p.p.	11.8%	18.3%	13.9%	-4.4 p.p.	+2.1 p.p.
Customers loans (excl. repos and IC)	432,441	409,478	-5.3%	432,441	416,172	409,478	-1.6%	-5.3%
Gross NPE	12,549	11,693	-6.8%	12,549	11,976	11,693	-2.4%	-6.8%
Customer deposits (excl. repos and IC)	491,817	474,383	-3.5%	491,817	469,157	474,383	+1.1%	-3.5%
Cost/income ratio	47.0%	39.7%	-7.2 p.p.	43.2%	39.0%	41.6%	+2.6 p.p.	-1.6 p.p.
Cost of risk (bps)	41	12	-29	46	12	28	+16	-18

Note: 4Q23 and FY23 CET1r is net of the accrual for the total FY23 distribution following the new EBA Q&A 2023_6887, i.e. including also the Share Buy Back not authorized yet by Shareholders and Supervisor. For a coherent Y/Y and FY/FY comparison, the FY22 and 4Q22 CET1r reported hereafter is pro forma for all 2022 distributions, including the shares buy-back deducted from Own Funds in 1Q23.

For FY22: Net profit excludes DTA write-up from TLCF (€859 m). For FY23: Net profit excludes DTA write-up from TLCF (€893 m). For 4Q22: Net profit excludes DTA write-up from TLCF (€852 m). For 3Q23: Net profit excludes DTA write-up from TLCF (€0 m). For 4Q23: Net profit excludes DTA write-up from TLCF (+€893 m).

Total revenues stood at €6.0 bn in 4Q23, up 0.2% Q/Q, driven by NII at €3.6 bn (+0.3% Q/Q) and fees at €1.8 bn (+1.3% Q/Q). Total revenues were up 4.6% Y/Y, mainly driven by NII (+5.7% Y/Y), partially offset by trading (-15.7% Y/Y) and fees (-0.6% Y/Y).

Net revenues reached €5.7 bn in 4Q23, down 2.6% Q/Q and up 9.5% Y/Y.

In 4Q23, **NII** stood at €3.6 bn, up 0.3% Q/Q, and up 5.7% Y/Y both driven by higher customer loan rates, together with better results in the investment portfolio thanks to higher market rates and partially offset by the negative effects of higher rates on deposits and term funding.

Fees stood at €1.8 bn in 4Q23, up 1.3% Q/Q mainly thanks to higher financing fees in Italy; and down 0.6% Y/Y entirely due to the impact of the current account fees reduction in Italy, which started in April 2023, and larger securitisation costs. Net of these effects, fees were up 3.5% Y/Y. In particular, in 4Q23:

- **Investment fees** were €0.6 bn, down 3.0% Q/Q mainly driven lower AuC related revenues and lower AuM upfront fees, partially offset by higher insurance related management fees. Investment fees were down of 1.9% Y/Y driven by lower AuM upfront fees partially offset by the good performance of AuM related management fees thanks to Collective Investment Funds.
- **Financing fees** stood at €0.4 bn, up 4.0% Q/Q thanks to better results in Italy and Germany driven by better Group Capital Markets, partially offset by securitisation costs. Excluding those, financing fees were up 6.8% Q/Q. Financing fees were up 8.8% Y/Y mainly driven by higher securitisation costs. Excluding those, financing fees were up 11.3% Y/Y.

- **Transactional fees** were €0.6 bn, up 2.1% Q/Q driven by good results in credit card issuance and Property & Casualty Insurance. Transactional fees were down 2.8% Y/Y due to the reduction of current account fees in Italy. Net of this effect, transactional fees were up 7.5% Y/Y.
- **Client hedging fees** generated €0.2 bn, up 9.2% Q/Q and down 7.0% Y/Y due to Y/Y normalisation in volatility and FX hedging demand.

Trading income stood at €360 m in 4Q23, down 27.9% Q/Q and down 15.7% Y/Y, impacted by volatility on market movements and lower client demand on FX and Rates derivatives in Italy and Client Risk Management ("CRM") activities in Germany.

Dividends[9] were €93 m in 4Q23, down 17.1% Q/Q and up 64.7% Y/Y.

Operating costs stood at €2.5 bn in 4Q23 up 6.9% Q/Q, and up 0.8% Y/Y, mainly driven by HR related costs, which benefitted by proactive measures taken to mitigate the inflationary pressure. In particular:

- **HR costs** were €1.6 bn in 4Q23, up 9.7% Q/Q mainly driven by an extraordinary salary drift linked to the collective contract agreement renewal in Italy and higher performance bonuses, and up 0.8% Y/Y due to salary increases partially compensated by the net FTE reductions.
- **Total Non-HR costs**[10] were €0.9 bn in 4Q23, up 2.5% Q/Q driven by higher discretionary and IT expenses affected by seasonality, partially compensated by Real Estate initiatives, and up 0.7% Y/Y with costs containment actions largely outweighing higher utilities and inflation.

The **Cost/Income ratio** stood at of 41.6% in 4Q23, up 2.6 p.p. Q/Q, and down 1.6 p.p. Y/Y.

Cost of Risk stood at 28 bps in 4Q23, including the impact of IFRS9 Scenario update, up 16 bps Q/Q and down 18 bps Y/Y. The sound asset quality is supported by a continued relatively low default rate, preserving the highly covered and robust credit portfolio with low NPE net inflows. The Group kept the amount of overlays on performing exposures broadly stable Q/Q at €1.8 bn, which substantially reinforces the Group's capacity to withstand macroeconomic shocks.

The 4Q23 **Group tax** were positively impacted by a DTA write up in Italy of €893 m and by a positive outcome of a tax audit in Germany.

Stated net profit stood at €2.8 bn in 4Q23, up 21.0% Q/Q and up 14.1% Y/Y while **net profit** was over €1.9 bn in 4Q23, down 17.4% Q/Q and up 19.0% Y/Y.

BALANCE SHEET

Average gross commercial performing loans were €390.4 bn[11] as of 31 December 2023, down 2.1% Q/Q mainly driven by Italy, and down 5.2% Y/Y. The main contributors were Italy (€150.2 bn), Germany (€110.1 bn) and Central Europe (€91.6 bn).

Group gross customer performing loan rates 4.5%[11] in 4Q23 up 21 bps Q/Q and up 163 bps Y/Y.

Average commercial deposits stood at €461.5 bn[11] as of 31 December 2023 down 0.3% Q/Q mainly driven by Italy and Russia, partially compensated by Central and Eastern Europe; and down 5.3% Y/Y. The main contributors were Italy (€185.9 bn), Germany (€129.9 bn), Central Europe (€91.4 bn) followed by Eastern Europe (€46.0 bn).

Group customer deposit rates stood at -1.21%[11] in 4Q23, -17 bps Q/Q and -74 bps Y/Y.

[9] Include other dividends and equity investments.
[10] Includes Non-HR costs, recovery of expenses and amortisations and depreciations.
[11] Includes Group Corporate Centre.

Loan/Deposit ratio net of Repos and Intercompany at 4Q23 end of period was 86.3%, down 2.4 p.p. Q/Q, and down 1.6 p.p. Y/Y.

Total Financial Assets (TFAs) were €781.2 bn in 4Q23, up 3.1% Q/Q and up 5.3% Y/Y.

- **AuM**: €200.5 bn, up 2.7% Q/Q and up 3.4% Y/Y;
- **AuC**: €186.9 bn, up 9.1% Q/Q and up 23.3% Y/Y;
- **Deposits**: €393.8 bn, up 0.6% Q/Q and down 0.6% Y/Y.

ASSET QUALITY[12]

Gross NPE were €11.7 bn in 4Q23 (-2.4% Q/Q and -6.8% Y/Y) leading to a **gross NPE ratio** of +2.7% (flat Q/Q, flat Y/Y), while **net NPE** were €6.2 bn in 4Q23 (-0.7% Q/Q and -5.0% Y/Y), with a **net NPE ratio** of 1.4% (flat Q/Q, flat Y/Y). The **NPE coverage ratio** was 47.2% (-0.9 p.p. Q/Q and -1.0 p.p. Y/Y).

Gross bad loans amounted to €2.9 bn in 4Q23 (-1.1% Q/Q, +12.5% Y/Y) with a coverage ratio of 74.0% (+0.7 p.p. Q/Q, -2.7 p.p. Y/Y). **Gross unlikely to pay** stood at €7.8 bn (-5.0% Q/Q, -13.8% Y/Y), with a coverage ratio of 39.7% (-1.4 p.p. Q/Q, -2.5 p.p. Y/Y).

CAPITAL & FUNDING

The Group's 4Q23 **CET1 ratio[3]** FL stood at 15.89%, down 130 bps Q/Q, driven by +81 bps organic capital generation (+66 bps from net profit and +15 bps from RWA), -226 bps of total distribution (-193 bps share buyback, -26 bps dividend accrual, -1 bp from support to social and charity initiatives, -6 bps AT1 & CASHES coupons), +14 bps from regulatory impacts, +1 bp from RWA Probability of Default ("PD") scenario. The Group's 4Q23 **CET1 ratio** +97 bps Y/Y[3].

Group Tangible Equity was €56.9 bn, up 2.4% Q/Q and up 3.8% Y/Y, while **Group tangible book value per share** was €33.3, up 5.8% Q/Q and 17.3% Y/Y.

The **RoTE at 13% CET1 ratio** was 17.1% in the 4Q23, down 6.3 p.p. Q/Q and up 3.0 p.p. Y/Y.

The **transitional leverage ratio** stood at 5.78% in 4Q23, down 29 bps Q/Q and up 6 bps Y/Y[3].

RWA were €284.5 bn in 4Q23, down 1.9% Q/Q, driven by RWA savings resulting from active portfolio management and securitisation (-€3.9bn, o/w -€0.7bn from securitisation), regulatory impacts (-€2.6bn), business dynamics and other phenomena (+€1.0bn). RWA were down 7.8% Y/Y.

Regulatory liquidity ratios are sound: **LCR** above 140% as of 4Q23, meaningfully above the regulatory limit of 100% and within the 125-150% managerial target range. The **NSFR[13]** above 130% as of 4Q23, well above the regulatory limit of 100%.

The 2023 Funding Plan focused mostly on covered bond issuance, with limited MREL needs. UniCredit **TLAC ratio on RWA** stood at 26.97%, down 134 bps Q/Q, implying a buffer of 502 bps, substantially above the requirement of 21.95%[14]. **The TLAC ratio on leverage exposure** stood at 8.75%, down 22 bps Q/Q, implying a buffer of 200 bps above regulatory requirement of 6.75%. The 4Q23 **MREL ratio on RWA** stood at 31.28%, down 108 bps Q/Q, implying a buffer of 660 bps above regulatory requirement of 24.68%. The **4Q23 MREL ratio on leverage exposure** stood at 10.14%, down 10 bps Q/Q with a buffer of 424 bps above regulatory requirement of 5.90%.

[12] NPE excludes exposures classified as held for sale.
[13] Based on managerial figures.
[14] 4Q23 TLAC requirement 21.95% (assuming combined capital buffer as of 4Q23) with 3.50% senior exemption.

DIVISIONAL HIGHLIGHTS[15]

ITALY

(€ million)	FY22	FY23	vs FY22	4Q22	3Q23	4Q23	Q/Q	Y/Y
Total revenues	9,096	10,864	*+19.4%*	2,574	2,674	2,732	*+2.2%*	*+6.1%*
o/w Net interest	4,232	6,332	*+49.6%*	1,435	1,636	1,668	*+2.0%*	*+16.2%*
o/w Fees	4,320	4,062	*-6.0%*	1,025	950	971	*+2.2%*	*-5.2%*
Operating costs	-3,966	-3,893	*-1.8%*	-1,013	-958	-998	*+4.2%*	*-1.5%*
Gross operating profit	5,131	6,970	*+35.9%*	1,560	1,717	1,734	*+1.0%*	*+11.1%*
Loan Loss Provisions	-317	-399	*+25.8%*	-132	-87	-80	*-8.8%*	*-39.8%*
Net operating profit	4,813	6,572	*+36.5%*	1,428	1,629	1,654	*+1.5%*	*+15.9%*
Stated net profit/loss	3,693	4,844	*+31.2%*	1,738	945	1,936	*n.m.*	*+11.4%*
Net profit/Loss	3,041	3,951	*+29.9%*	1,092	945	1,043	*+10.3%*	*-4.5%*
RoAC	*17.2%*	25.7%	*+8.5 p.p.*	25.8%	25.1%	27.4%	*+2.3 p.p.*	*+1.6 p.p.*
Cost/income ratio	43.6%	35.8%	-8 p.p.	39.4%	35.8%	36.5%	*+1 p.p.*	*-3 p.p.*
Cost of risk (bps)	16	22	*+5*	28	19	19	*-1*	*-9*

GERMANY

(€ million)	FY22	FY23	vs FY22	4Q22	3Q23	4Q23	Q/Q	Y/Y
Total revenues	5,050	5,430	*+7.5%*	1,348	1,323	1,208	*-8.7%*	*-10.4%*
o/w Net interest	2,593	2,689	*+3.7%*	744	637	666	*+4.5%*	*-10.4%*
o/w Fees	1,427	1,448	*+1.4%*	311	335	310	*-7.4%*	*-0.4%*
Operating costs	-2,518	-2,408	*-4.4%*	-617	-598	-601	*+0.4%*	*-2.5%*
Gross operating profit	2,532	3,022	*+19.4%*	731	725	607	*-16.2%*	*-17.0%*
Loan Loss Provisions	-392	-179	*-54.5%*	-251	-81	-42	*-47.5%*	*-83.1%*
Net operating profit	2,140	2,844	*+32.9%*	481	644	565	*-12.3%*	*+17.5%*
Stated net profit/loss	1,267	1,725	*+36.2%*	268	417	291	*-30.2%*	*+8.8%*
Net profit/Loss	1,256	1,725	*+37.4%*	257	417	291	*-30.2%*	*+13.5%*
RoAC	*10.9%*	16.1%	*+5.2 p.p.*	8.0%	16.3%	10.0%	*-6.3 p.p.*	*+2.0 p.p.*
Cost/income ratio	49.9%	44.3%	-6 p.p.	45.7%	45.2%	49.7%	*+5 p.p.*	*4 p.p.*
Cost of risk (bps)	30	14	*-16*	76	25	13	*-12*	*-63*

[15] Please consider that (i) all divisional figures in "Divisional Highlights" represent the contribution of each division to Group data; (ii) Return on Allocated Capital (RoAC) related to each division and shown in this section is calculated as: annualised net profit / allocated capital. Allocated capital calculated as 13% of RWA plus deductions.

CENTRAL EUROPE

(€ million)	FY22	FY23	*vs FY22 at constant FX*	4Q22	3Q23	4Q23	*Q/Q at constant FX*	*Y/Y at constant FX*
Total revenues	3,410	4,260	*+23.9%*	987	1,135	1,064	*-6.0%*	*+6.8%*
o/w Net interest	2,167	2,741	*+25.2%*	745	752	668	*-11.0%*	*-11.2%*
o/w Fees	1,152	1,151	*-0.8%*	279	276	300	*+8.7%*	*+6.7%*
Operating costs	-1,603	-1,625	*+0.7%*	-426	-403	-427	*+6.3%*	*-0.2%*
Gross operating profit	1,807	2,635	*+44.3%*	561	732	636	*-12.8%*	*+12.1%*
Loan Loss Provisions	-117	-41	*-65.8%*	-149	-16	-86	*n.m.*	*-42.7%*
Net operating profit	1,690	2,594	*+51.9%*	412	715	550	*-22.9%*	*+31.7%*
Stated net profit/loss	1,388	1,829	*+30.5%*	461	595	336	*-43.3%*	*-27.6%*
Net profit/Loss	1,192	1,829	*+51.8%*	265	595	336	*-43.3%*	*+24.9%*
RoAC	*14.2%*	21.0%	*+6.7 p.p.*	12.1%	28.5%	14.2%	*-14.4 p.p.*	*+1.9 p.p.*
Cost/income ratio	47.0%	38.1%	-9 p.p.	43.1%	35.5%	40.2%	*5 p.p.*	*-3 p.p.*
Cost of risk (bps)	12	4	*-8*	62	7	36	*+29*	*-27*

EASTERN EUROPE

(€ million)	FY22	FY23	*vs FY22 at constant FX*	4Q22	3Q23	4Q23	*Q/Q at constant FX*	*Y/Y at constant FX*
Total revenues	1,987	2,591	*+30.4%*	557	692	683	*-1.2%*	*+22.7%*
o/w Net interest	1,261	1,854	*+47.0%*	366	493	514	*+4.3%*	*+40.4%*
o/w Fees	639	664	*+3.8%*	155	172	170	*-1.4%*	*+9.6%*
Operating costs	-813	-853	*+4.9%*	-224	-209	-230	*+10.0%*	*+2.4%*
Gross operating profit	1,174	1,737	*+48.1%*	333	483	453	*-6.1%*	*+36.3%*
Loan Loss Provisions	-184	72	*n.m.*	-99	6	35	*n.m.*	*n.m.*
Net operating profit	989	1,810	*+83.0%*	234	489	488	*-0.1%*	*n.m.*
Stated net profit/loss	746	1,417	*+89.9%*	151	395	369	*-6.6%*	*n.m.*
Net profit/Loss	746	1,417	*+89.9%*	151	395	369	*-6.6%*	*n.m.*
RoAC	*19.2%*	36.9%	*+17.7 p.p.*	14.7%	41.6%	37.0%	*-4.6 p.p.*	*+22.3 p.p.*
Cost/income ratio	40.9%	32.9%	-8 p.p.	40.3%	30.2%	33.6%	*3 p.p.*	*-7 p.p.*
Cost of risk (bps)	59	-22	*-81*	126	-8	-42	*-35*	*-168*

Group Corporate Centre (GCC)

(€ million)	FY22	FY23	vs FY22	4Q22	3Q23	4Q23	Q/Q	Y/Y
Total revenues	-471	-484	*+2.9%*	-103	-106	-106	*-0.5%*	*+2.4%*
Operating costs	-364	-464	*+27.2%*	-110	-109	-177	*+62.4%*	*+60.8%*
Gross operating profit	-835	-948	*+13.5%*	-214	-216	-283	*+31.3%*	*+32.5%*
Loan Loss Provisions	-2	3	*n.m.*	1	1	0	*-55.4%*	*-48.3%*
Stated net profit/loss	-436	-973	*n.m.*	-178	-186	-360	*+93.3%*	*n.m.*
Net profit/Loss	-436	-973	*n.m.*	-178	-186	-360	*+93.3%*	*n.m.*
FTE	*8,719*	8,141	*-6.6%*	8,719	8,318	8,141	*-2.1%*	*-6.6%*
Costs GCC/total costs	*3.8%*	4.9%	*1.1 p.p.*	4.5%	4.7%	7.1%	*+2 p.p.*	*3 p.p.*

Russia

(€ million)	FY22	FY23	vs FY22 at constant FX	4Q22	3Q23	4Q23	Q/Q at constant FX	Y/Y at constant FX
Total revenues	1,257	1,183	*+16.6%*	353	250	399	*+46.2%*	*+61.6%*
o/w Net interest	757	798	*+30.2%*	229	189	203	*+2.8%*	*+29.6%*
o/w Fees	161	198	*+53.0%*	45	46	50	*+4.6%*	*+67.8%*
Operating costs	-283	-228	*+0.7%*	-79	-50	-56	*+6.3%*	*+7.6%*
Gross operating profit	974	955	*+21.2%*	273	199	343	*+56.5%*	*+77.2%*
Loan Loss Provisions	-882	-5	*-98.7%*	103	42	-128	*n.m.*	*n.m.*
Net operating profit	92	950	*n.m.*	376	242	215	*-17.4%*	*-26.6%*
Stated net profit/loss	-200	665	*n.m.*	24	156	239	*+40.8%*	*n.m.*
Net profit/Loss	-200	665	*n.m.*	24	156	239	*+40.8%*	*n.m.*
RoAC	*-14.4%*	21.7%	*+40.2 p.p.*	-3.8%	20.8%	39.7%	*+15.0 p.p.*	*+43.7 p.p.*
Cost/income ratio	22.5%	19.3%	-3 p.p.	22.5%	20.1%	14.1%	*-6 p.p.*	*-7 p.p.*
Cost of risk (bps)	924	11	*n.m.*	-506	-380	n.m.	*n.m.*	*n.m.*

SIGNIFICANT EVENTS DURING AND AFTER 4Q23

With reference to the main events that occurred during 4Q23 and after 31 December 2023, refer to the press releases published on the UniCredit Group website. Here below therefore, the main financial press releases published after 31 December 2023:

– “UniCredit successfully issues a 10.25-year Tier 2 callable bond with a 5.375% coupon for an amount of EUR 1.0 billion” (press release published on 9 January 2024);

– “UniCredit successfully issues EUR 1 billion Senior Non-Preferred Notes” (press release published on 16 January 2024);

– “Revised date for 4Q23 and FY23 results” (press release published on 16 January 2024);

– “Notice of early redemption: UniCredit S.p.A. €1,000,000,000 Fixed Rate Resettable Tier 2 Subordinated Callable Notes due 20 February 2029 (the "Notes") ISIN XS1953271225” (press release published on 23 January 2024).

ECONOMIC OUTLOOK

Global GDP expanded by about 3% in 2023, slightly better than initially expected, although still weak by historical standards. Global growth is likely to slow to 2.7% in 2024, due to the lagged impact of monetary tightening, reduced savings buffers (accumulated during the pandemic) and a structural slowdown in China. We expect the US economy to expand by 1.0% in 2024, from 2.4% in 2023, whereas we forecast Chinese GDP growth to decline below 5%, to 4.5%, due to a deflating real estate market, low sentiment and deteriorating demographics.

In the euro area, we see only modest growth in 2024 (0.5%), the same pace as last year. Headwinds will remain strong as the transmission of ECB rate hikes continues to unfold, challenging the resilience of the labor market. Two factors are likely to support economic growth in 2024: disinflation and a tentative recovery in global trade from current, very weak, levels. In Italy, the economy should continue to grow moderately this year, expanding by 0.6% after growing by 0.7% in 2023. A recovery in private consumption will play a key role, as significantly lower inflation will support real household income. A gradual recovery in global trade will also support exports and investment.

Disinflation is on track. Headline inflation in the eurozone is set to decline to 2.3%, on average, in 2024 and slightly below 2% in 2025. The ECB will probably start cutting rates in 2Q24, when it will have seen enough evidence indicating that wage growth is on a downward trend consistent with the 2% inflation goal. We assume the deposit rate to be cut to 2.75% by end-2024 and to 2.25% by end-2025.

DISCLAIMER

For the sake of completeness about the results as of 31 December 2023, the reclassified consolidated income statement and the reclassified consolidated balance sheet approved by the Board of Directors are here attached. The parent company draft financial statements and the consolidated financial statements as of 31 December 2023 will be submitted for approval at the meeting of the Board of Directors scheduled for 29 February 2024. The parent company draft financial statements and the consolidated financial statements as of 31 December 2023, together with the Independent Auditors' Report and the Report of the Board of Statutory Auditors, will be made publicly available according to the regulatory terms. The parent company financial statements will be submitted for the approval of shareholders at the Ordinary Meeting scheduled for 12 April 2024.

GROUP TABLES

UNICREDIT GROUP: RECLASSIFIED INCOME STATEMENT

(€ million)	FY22	FY23	FY/FY	4Q22	3Q23	4Q23	Q/Q	Y/Y
Net interest	10,669	14,005	*+31.3%*	3,415	3,600	3,610	*+0.3%*	*+5.7%*
Dividends	306	459	*+49.9%*	57	113	93	*-17.1%*	*+64.7%*
Fees	7,625	7,463	*-2.1%*	1,803	1,769	1,793	*+1.3%*	*-0.6%*
Trading income	1,776	1,845	*+3.8%*	427	499	360	*-27.9%*	*-15.7%*
Other expenses/income	(47)	72	*n.m.*	13	(14)	122	*n.m.*	*n.m.*
Revenue	**20,329**	**23,843**	***+17.3%***	**5,715**	**5,967**	**5,979**	***+0.2%***	***+4.6%***
HR costs	(5,918)	(5,861)	*-1.0%*	(1,563)	(1,437)	(1,576)	*+9.7%*	*+0.8%*
Non HR costs	(2,984)	(3,075)	*+3.0%*	(742)	(752)	(827)	*+10.0%*	*+11.4%*
Recovery of expenses	503	542	*+7.6%*	135	132	151	*+14.6%*	*+11.7%*
Amortisations and depreciations	(1,149)	(1,078)	*-6.2%*	(300)	(270)	(237)	*-12.3%*	*-20.8%*
Operating costs	**(9,547)**	**(9,471)**	***-0.8%***	**(2,470)**	**(2,327)**	**(2,489)**	***+6.9%***	***+0.8%***
GROSS OPERATING PROFIT (LOSS)	**10,782**	**14,372**	***+33.3%***	**3,246**	**3,640**	**3,490**	***-4.1%***	***+7.5%***
Loan Loss Provisions (LLPs)	(1,894)	(548)	*-71.0%*	(528)	(135)	(300)	*n.m.*	*-43.2%*
NET OPERATING PROFIT (LOSS)	**8,888**	**13,823**	***+55.5%***	**2,717**	**3,505**	**3,190**	***-9.0%***	***+17.4%***
Other charges and provisions	(1,093)	(1,041)	*-4.8%*	(144)	(285)	82	*n.m.*	*n.m.*
of which: systemic charges	(1,085)	*(955)*	*-12.0%*	(38)	(232)	*(35)*	*-84.9%*	*-8.6%*
Integration costs	(324)	(1,060)	*n.m.*	(287)	(41)	(788)	*n.m.*	*n.m.*
Net income from investments	(182)	(272)	*+49.5%*	(176)	(11)	(134)	*n.m.*	*-23.6%*
PROFIT (LOSS) BEFORE TAX	**7,289**	**11,451**	***+57.1%***	**2,111**	**3,168**	**2,349**	***-25.8%***	***+11.3%***
Income taxes	(819)	(1,914)	*n.m.*	355	(837)	468	*n.m.*	*+31.7%*
Profit (Loss) of discontinued operations	3	-	*n.m.*	-	-	-	*n.m.*	*n.m.*
NET PROFIT (LOSS) FOR THE PERIOD	**6,473**	**9,537**	***+47.3%***	**2,466**	**2,331**	**2,817**	***+20.9%***	***+14.2%***
Minorities	(15)	(27)	*+80.7%*	(2)	(9)	(6)	*-26.0%*	*n.m.*
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**6,458**	**9,510**	***+47.3%***	**2,464**	**2,322**	**2,810**	***+21.0%***	***+14.1%***
Purchase Price Allocation (PPA)	-	(4)	*n.m.*	-	(0)	-	*n.m.*	*n.m.*
Goodwill impairment	-	-	*n.m.*	-	-	-	*n.m.*	*n.m.*
GROUP STATED NET PROFIT (LOSS)	**6,458**	**9,507**	***+47.2%***	**2,464**	**2,322**	**2,810**	***+21.0%***	***+14.1%***

Note: Figures of Reclassified consolidated income statement relating to 2022 have been restated with the effects of the:
• shift from Trading Income to Fees of the client hedging mark-up (commercial margin between final price to the client and the offer price, the latter being quoted by the trader and containing bid/offer, market risk hedging costs and day one XVA) for FX spot operations, plain vanilla derivatives on FX, Fixed Income and Equity, Commodities derivatives;
• shift from Other expenses/income to Net interest of the interest on cash collaterals;
• shift from Non HR costs to Fees of some costs related to transaction and payment services;
• shift from Recovery of expenses to Non HR costs of the cost reimbursements of postal services in Germany.

UNICREDIT GROUP: RECLASSIFIED BALANCE SHEET

(€ million)	4Q22	3Q23	4Q23	Q/Q	Y/Y
ASSETS					
Cash and cash balances	111,776	87,357	61,000	*-30.2%*	*-45.4%*
Financial assets held for trading	64,443	62,938	57,274	*-9.0%*	*-11.1%*
Loans to banks	45,707	54,309	39,434	*-27.4%*	*-13.7%*
Loans to customers	455,781	436,512	429,452	*-1.6%*	*-5.8%*
Other financial assets	148,116	152,793	162,953	*+6.6%*	*+10.0%*
Hedging instruments	(3,725)	(3,711)	(1,340)	*-63.9%*	*-64.0%*
Property, plant and equipment	9,164	8,849	8,628	*-2.5%*	*-5.8%*
Goodwill	-	-	-	*n.m.*	*n.m.*
Other intangible assets	2,350	2,230	2,272	*+1.9%*	*-3.3%*
Tax assets	13,120	11,337	11,818	*+4.2%*	*-9.9%*
Non-current assets and disposal groups classified as held for sale	1,229	1,198	370	*-69.1%*	*-69.9%*
Other assets	9,812	11,832	13,112	*+10.8%*	*+33.6%*
Total assets	**857,773**	**825,644**	**784,974**	***-4.9%***	***-8.5%***
LIABILITIES AND SHAREHOLDERS' EQUITY					
Deposits from banks	131,324	96,928	71,042	*-26.7%*	*-45.9%*
Deposits from customers	510,093	510,626	495,716	*-2.9%*	*-2.8%*
Debt securities issued	84,207	92,551	89,845	*-2.9%*	*+6.7%*
Financial liabilities held for trading	51,234	44,162	38,022	*-13.9%*	*-25.8%*
Other financial liabilities	12,041	13,005	13,751	*+5.7%*	*+14.2%*
Hedging instruments	(18,101)	(17,316)	(10,573)	*-38.9%*	*-41.6%*
Tax liabilities	1,681	1,698	1,483	*-12.7%*	*-11.8%*
Liabilities included in disposal groups classified as held for sale	579	500	(0)	*n.m.*	*n.m.*
Other liabilities	21,218	20,608	21,445	*+4.1%*	*+1.1%*
Minorities	158	157	164	*+4.7%*	*+3.9%*
Group Shareholders' Equity:	63,339	62,726	64,079	*+2.2%*	*+1.2%*
- Capital and reserves	56,881	56,030	54,572	*-2.6%*	*-4.1%*
- Group stated Net profit (loss)	6,458	6,696	9,507	*+42.0%*	*+47.2%*
Total liabilities and Shareholders' Equity	**857,773**	**825,644**	**784,974**	***-4.9%***	***-8.5%***

UNICREDIT GROUP: SOVEREIGN DEBT SECURITIES – BREAKDOWN BY COUNTRY/PORTFOLIO

With reference to the Group's sovereign exposures[16], the book value of sovereign debt securities as of 31 December 2023 amounted to €108,256 million (of which €104,080 million classified in the banking book[17], over the 78% of it concentrated in eight countries; Italy, with €41,100 million, represents about 38% of the total. For each of the eight countries, the following table shows the book value, the nominal value and the fair value of the exposures broken down by portfolio as of 31 December 2023.

[16] Information on Sovereign exposures refers to the scope of the UniCredit Group consolidated results as of 31 December 2023, determined under IAS/IFRS.
Sovereign exposures are bonds issued by and loans given to central and local governments and governmental bodies.
To the purpose of this risk exposure are not included:
- Sovereign exposures and Group's Legal entities classified as held for sale as of 31 December 2023.
- ABSs.

[17] The banking book includes financial assets designated at fair value, those mandatorily at fair value, those at fair value through other comprehensive income and those at amortised cost.

(€ million)	Book value	Nominal value	Fair Value
As of 31 December 2023			
- Italy	**41,100**	**41,491**	**41,143**
financial assets/liabilities held for trading (net exposures*)	1,341	1,093	1,341
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	59	55	59
financial assets at fair value through other comprehensive income	18,964	18,787	18,964
financial assets at amortised cost	20,736	21,556	20,779
- Spain	**14,233**	**14,876**	**14,138**
financial assets/liabilities held for trading (net exposures*)	(152)	(57)	(152)
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	-	-	-
financial assets at fair value through other comprehensive income	2,774	2,912	2,774
financial assets at amortised cost	11,611	12,021	11,516
- Japan	**7,835**	**7,847**	**7,844**
financial assets/liabilities held for trading (net exposures*)	-	-	-
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	-	-	-
financial assets at fair value through other comprehensive income	7,142	7,207	7,142
financial assets at amortised cost	693	640	702
- U.S.A.	**6,628**	**7,811**	**6,649**
financial assets/liabilities held for trading (net exposures*)	829	1,138	829
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	-	-	-
financial assets at fair value through other comprehensive income	3,515	3,587	3,515
financial assets at amortised cost	2,284	3,086	2,305
- Germany	**5,789**	**5,880**	**5,692**
financial assets/liabilities held for trading (net exposures*)	303	410	303
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	685	687	685
financial assets at fair value through other comprehensive income	1,433	1,440	1,433
financial assets at amortised cost	3,368	3,343	3,271
- Czech Republic	**3,291**	**3,149**	**3,280**
financial assets/liabilities held for trading (net exposures*)	39	41	39
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	-	-	-
financial assets at fair value through other comprehensive income	2,072	2,000	2,072
financial assets at amortised cost	1,180	1,108	1,169
- Austria	**2,993**	**3,134**	**2,978**
financial assets/liabilities held for trading (net exposures*)	113	115	113
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	71	70	71
financial assets at fair value through other comprehensive income	2,237	2,390	2,237
financial assets at amortised cost	572	559	557
- Romania	**2,677**	**2,631**	**2,598**
financial assets/liabilities held for trading (net exposures*)	50	52	50
financial assets designated at fair value	-	-	-
financial assets mandatorily at fair value	7	7	7
financial assets at fair value through other comprehensive income	677	699	677
financial assets at amortised cost	1,943	1,873	1,864
Total on-balance sheet exposures	**84,546**	**86,819**	**84,322**

Note: (*) Including exposures in Credit Derivatives. In case of negative amount, it indicates the prevalence of liabilities positions.

UNICREDIT GROUP: WEIGHTED DURATION

The weighted duration of the sovereign bonds shown in the table above, divided by the banking and trading book, is the following:

		Trading Book	
Weighted duration (years)	**Banking book**	**Assets positions**	**Liabilities positions**
Italy	3.97	4.78	6.11
Spain	3.92	19.56	5.29
Japan	4.76	-	-
U.S.A.	8.32	19.02	-
Germany	4.42	11.75	9.70
Czech Republic	4.27	2.94	7.86
Austria	7.08	11.33	9.51
Romania	3.84	4.68	9.24

The remaining 22% of the total of sovereign debt securities, amounting to €23,710 million with reference to the book values as of 31 December 2023, is divided into 33 countries, including Bulgaria (€2,537 million), France (€2,521 million), Croatia (€2,273 million), Hungary (€1,828 million), Poland (€1,101 million), Portugal (€996 million), Ireland (€978 million), Serbia (€907 million), Slovakia (€880 million), Israel (€817 million), China (€710 million), Russia (€634 million) and Belgium (€626 million).

With respect to these exposures, as of 31 December 2023 there were no indications that default have occurred and the Group is closely monitoring the evolution of the situation.

With particular reference to the book value of the sovereign debt securities exposure to Russia it should be noted that it is almost totally held by the Russian controlled bank in local currency and classified in the banking book.

It should also be noted that among the aforementioned remaining part of sovereign debt securities as of 31 December 2023 there are also debt securities towards Supranational Organisations such as the European Union, the European Financial Stability Facility and the European Stability Mechanism amounting to €5,842 million.

In addition to the exposures to sovereign debt securities, loans[18] given to central and local governments and governmental bodies must be taken into account, amounting to €24,852 million as of 31 December 2023, of which over 66% to Germany, Austria and Italy.

UNICREDIT GROUP: RATINGS

	Short-term debt	Medium and long-term debt	Outlook	Standalone Rating
Standard & Poor's	A-2	BBB	Stable	bbb+
Moody's	P-2	Baa1	Stable*	baa3
Fitch Ratings	F2	BBB	Stable	bbb

Note: *Moody's has improved UniCredit SpA's bank deposit rating outlook to 'stable' and kept the senior unsecured outlook 'negative'

[18] Tax items are not included.

GENERAL NOTES

- **CET1 ratio** fully loaded throughout the document, unless otherwise stated.
- **Numbers** throughout the press release may not add up precisely to the totals provided in tables and text due to rounding.
- **Russia** includes the local bank and legal entities, plus the cross-border exposure booked in UniCredit SpA.
- **Shareholders distribution** subject to supervisory and shareholder approvals.
- **Delta Q/Q means:** current quarter versus previous quarter (in this document equal to 4Q23 versus 3Q23)
- **Delta Y/Y means:** current quarter of the current year versus the same quarter of the previous year (in this document equal to 4Q23 versus 4Q22)
- **Delta FY/FY means:** 12 months of the current year versus 12 months of the previous year (in this document equal to FY23 versus FY22)

MAIN DEFINITIONS

- **Allocated capital** calculated as 13.0% of RWA plus deductions.
- **Average commercial deposits** (excluding repurchase agreements – repos) are managerial figures and are calculated as daily averages. Deposits net of Group bonds are placed by the network.
- **Average gross commercial performing loans** defined as average stock for the period of performing loans to commercial clients (e.g., excluding markets counterparts and operations); managerial figures, key driver of the NII generated by the network activity.
- **Client Hedging Fees** refers to the client markup on client hedging transactions. The client markup is the difference between the final price to the client and the offer price, containing bid/ask spread, market risk hedging costs and day one XVA.
- **Cost of risk (CoR)** is based on reclassified P&L and Balance sheet, calculated as (i) LLPs of the period (annualised in the interim periods) over (ii) average loans to customers ((including active repos, excluding debt securities and IFRS5 reclassified assets).
- **Coverage ratio (on NPE)** defined as stock of LLPs on NPEs over gross NPEs excluding IFRS5 reclassified assets.
- **EPS** calculated as Net profit - as defined below - on average number of outstanding shares excluding avg. treasury and CASHES usufruct shares.
- **Dividend per share (DPS)** in this press release, is calculated as FY23 cash dividend amount approved by the Board of Directors for the proposal to the General Shareholders' meeting, divided by the number of outstanding shares eligible for cash dividend payments, as estimated on 2 February 2024 (i.e. excluding treasury shares bought back as of the same date, excluding the ordinary shares underlying the Usufruct contract (Cashes), including the new shares for incentive plans expected to be issued by the record date). The final FY23 DPS will be updated according to the number of shares eligible for cash dividend payments estimated at the record date.
- **Gross Non Performing Exposure (Gross NPE)** defined as non-performing exposures before deduction of provisions comprising bad loans, unlikely to pay, and past due; including only loans to customers (including repurchase agreements – repos), excluding debt securities and IFRS5 reclassified assets.
- **Gross Non Performing Exposure ratio (Gross NPE ratio)** defined as (i) gross NPEs over (ii) gross loans (including repurchase agreements – repos) excluding debt securities and IFRS5 reclassified assets.
- **IFRS5 reclassified assets** means exposures classified as Held for Sale.
- **LCR** means Liquidity Coverage Ratio - ratio between the high-quality liquid assets (HQLA) and the net cash outflows expected over the coming 30 days, under stress test conditions.
- **Net non performing exposure (Net NPE)** defined as loans to customers non-performing exposures after deduction of provisions, comprising bad loans, unlikely to pay and past due (including active repurchase agreements – repos, excluding debt securities and IFRS5 reclassified assets).

- **Net Non Performing Exposure ratio (Net NPE ratio)** defined as (i) Net NPEs over total net loans (including repurchase agreements – repos), excluding debt securities and IFRS5 reclassified assets.
- **Net profit** means stated net profit adjusted for impacts from DTAs tax loss carry forward resulting from sustainability test. The result is used for cash dividend accrual / total distribution.
- **Net profit after AT1 /CASHES** means net profit as defined above adjusted for impacts from AT1 and Cashes coupons. The result is used for RoTE and RoAC calculation.
- **Net revenue** means (i) revenues minus (ii) Loan Loss Provisions (LLPs).
- **NPE** means Non Performing Exposure
- **NSFR** means Net Stable Funding Ratio - ratio between the available amount of stable funding and the required amount of stable funding that are calculated applying defined weighting factors to on and off-balance sheet items. The relevant instructions for its calculation are included in the Regulation (EU) 876/2019 of the European Parliament.
- **Organic capital generation** for Group calculated as (Net profit, as defined above, minus delta RWA excluding Regulatory impacts and PD scenario impacts x CET1r actual)/ RWA.
- **PD scenario** means the impacts deriving from probability of default scenario, including rating dynamics.
- **Regulatory impacts** are impacts mostly driven by regulatory changes and model maintenance, shortfall, and calendar provisioning (impacting on capital).
- **RoAC** means annualized ratio between (i) Net profit after AT1/Cashes minus excess capital charge (where applicable) and (ii) allocated capital, both as defined above.
- **RoTE** means (i) Net profit after AT1/ CASHES – as defined above, over (ii) average tangible equity excluding AT1, CASHES and DTA from tax loss carry forward contribution.
- **RoTE at 13% CET1 ratio** means RoTE as defined above, but with a tangible equity assuming to distribute the capital in excess of a 13% CET1r (FL), upper end of UniCredit CET1 ratio management target, reducing immediately the tangible equity by this amount of distribution.
- **Share buyback** defined as repurchasing of shares by the company that issued them to reduce the number of shares available on the open market.
- **Stated net profit** means accounting Net profit.
- **Tangible Book Value** for Group calculated as Shareholders' equity (including Group Stated profit of the period) minus intangible assets (goodwill and other intangibles), minus AT1 component.
- **Tangible book value per share** for Group calculated as end-of-period tangible equity over end-of-period number of outstanding shares excluding treasury shares.
- **Tangible equity** for Group calculated as shareholders' equity (including Group Stated profit of the period) minus intangible assets (goodwill and other intangibles), minus AT1 component.

Declaration by the Manager charged with preparing the financial reports

The undersigned, Bonifacio Di Francescantonio, in his capacity as the Manager charged with preparing UniCredit S.p.A.'s financial reports

DECLARES

that, pursuant to article 154 bis, paragraph 2, of the "Consolidated Law on Finance", the information disclosed in this document corresponds to the accounting documents, books, and records.

Milan, 4 February 2024

Manager charged with

preparing the financial reports